

CCC-699C
(06-25-08)

U.S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

COTTON TRANSFER AGREEMENT

Note: For instructions to submit a Cotton Transfer Agreement (CCC-699C) and Attachment to CCC-699C, Cotton Transfer Agreement (CCC-699C Attachment) and transfer shipping orders, contact: Kansas City Commodity Office, Contract Reconciliation Division, Financial Review Branch, Stop 8758; P O Box 419205; Kansas City, MO 64141-6205; Telephone: 816-926-6525; Fax: 816-823-1805; E-Mail: crdfrb@kcc.usda.gov

A. GENERAL PROVISIONS

1. This agreement establishes terms and conditions for the transfer from one shipping warehouse to one receiving warehouse with an approved Cotton Storage Agreement, as identified by Attachment, of cotton pledged as collateral for the Commodity Credit Corporation (CCC) marketing assistance loan(s) including loans obtained by a CCC-approved marketing cooperative on behalf of the producer, in a manner that protects CCC's security interest in this cotton until settlement of such loans. The terms of this agreement do not affect CCC's security interest in this cotton and do not affect any obligation of the producer under the terms of such loans.
2. The undersigned hereby requests CCC to approve any Attachment to this agreement submitted by the requestor to the Kansas City Commodity Office at the address set forth above.
3. For the purposes of this agreement:

"Agent" means any (i) cooperative marketing association, or (ii) individual or entity authorized by the producer identified above to redeem and transfer a transfer bale through execution of Part B Item 6, and Part G, Item 21 of CCC-605, Authorization of Electronic Agent and Designation of Agent.

"Producer" means the entity including a CCC-approved cooperative marketing association, who has obtained the CCC marketing assistance loan(s) identified in the attached CCC-699C Attachment (Attachment).

"Requestor" means the producer or agent of the producer who has signed this agreement.

"Transfer bales" means bales of cotton represented by electronic warehouse receipts (EWR) and pledged as collateral for a CCC marketing assistance loan to be transferred from the shipping warehouse to the receiving warehouse that are identified by a shipping order identified in Attachment.

"Date approved" means the date the shipping order for transfer bales is transmitted to the storing warehouse within the Provider's EWR system.

"Date of submission" means the later of the date that an Attachment is submitted to CCC, or the date the Provider transfers the Shipping Order Instruction & Receipts (Batch Type 21) electronic file to CCC for approval.

"Date of transfer from the shipping warehouse" means the date that the bale EWR at the receiving warehouse is created in the Provider's EWR system.

"CCC releases holdership" means the date the Provider sends a transfer shipping order to the shipping warehouse for transfer bales.

"Provider" means an entity approved by the Farm Service Agency (FSA) to store and file electronic warehouse receipts under the United States Warehouse Act.

"Transit period" means the period beginning on the date that the bale is shipped from the shipping warehouse to the date the bale EWR at the receiving warehouse is created in the Provider's EWR system. For the purpose of reducing any loan period storage credit for the time cotton is in transit between warehouses, the transit period shall be established as two days under this agreement.

4. The requestor shall not move any transfer bales from the shipping warehouse before approval of this agreement and electronic release of the transfer shipping order by CCC.
5. At the time of redemption of any transfer bale, any storage credit provided by CCC shall be based upon the storage credit rate used by CCC for the shipping warehouse and shall exclude credits for the transit period. In addition, no storage credit will be provided for any period beyond 75 days from the date of transfer from the shipping warehouse unless, at the time of CCC's approval of the transfer, the shipping warehouse is: (i) not in compliance with its CCC Cotton Storage Agreement; (ii) is storing cotton loan collateral outside; or (iii) is owned, in whole or in part, by the receiving warehouse.
6. CCC will not be responsible for the resolution of any dispute arising from, but not limited to, any claim concerning the: disposition; restocking; location; quality; transit; intended transit; or loss of the transfer bales.
7. Transfer bales that have been relocated under an approved transfer application are ineligible for subsequent transfer while pledged as collateral for a CCC marketing assistance loan.
8. Only one shipping warehouse and one receiving warehouse can be identified to CCC for an individual transfer shipping order.
9. The requestor must be subholder on the EWR of the transfer bales and, unless the requestor is a Cooperative Marketing Association, must have CCC-605, Part G endorsed by the producer authorizing transfer of the cotton.
10. The shipping warehouse and receiving warehouse for an individual shipping order must be registered with the same EWR Provider. Specifically, the requestor warrants that the receiving warehouse shall issue and record bale EWR's for the transfer bales using the same Provider as used for the transfer bales by the shipping warehouse.
11. A bale may not be requested for transfer if the bale is security for a CCC marketing assistance loan that matures less than 30 days from the date of submission of this agreement to CCC.

B. RESPONSIBILITIES OF CCC

CCC will:

1. Release the original EWR's to the shipping warehouse for approved transfers.
2. Require the receiving warehouse to issue a negotiable EWR with respect to each transferred bale accepted by the receiving warehouse for storage on behalf of the producer with CCC assigned as holder.
3. Take title to any and all transfer bales upon maturity of the CCC loan for which such bales have been pledged as collateral.
4. Request repayment of any loan obligation at the rate equivalent to the current adjusted world price, as determined by CCC, of transfer bales: (i) for which the original EWR has been cancelled by the shipping warehouse, and (ii) that are subsequently lost or not accepted by the receiving warehouse.
5. Cancel any transfer shipping order for bales not shipped by the 15th calendar day before maturity of the CCC marketing assistance loan for which such bales have been pledged as security.

C. RESPONSIBILITIES OF THE REQUESTOR

The requestor will:

1. Send shipping orders (Batch Type 21 file) that: (i) include only bales pledged as collateral for a CCC loan, and (ii) do not combine on any individual shipping order loan bales from cooperatives, loan service agents, or FSA County Offices.
2. Prior to submitting any transfer request to CCC, obtain signed transfer authorizations from all producers of the cotton to which this transfer request applies and, if requested by CCC, submit such authorizations to CCC.
3. If requested by CCC, provide financial assurances for the full loan value of the cotton, to protect CCC's interests during any period that CCC is not holder of an EWR issued for a transfer bale. The requestor and the producer shall remain responsible for any loss or damage to such bales.
4. Be responsible for any loss of quantity, quality, or value, or for any charges that may result from the transfer or intended transfer of cotton including but not limited to, those associated with the receipt, compression, storage, transportation, and restocking or load-out of the cotton from the shipping warehouse. Receiving and storage charges of the warehouse receiving transferred cotton shall be paid according to practices applicable to non-transferred loan collateral.
5. Direct the warehouse receiving transfer bales to issue new EWR's for such bales and assure that CCC is established as holder of such bales in the Provider's EWR system.
6. For transfer bales that are redeemed by the requestor: (i) provide repayments based on the original loan value and weights, and (ii) submit redemptions only after CCC has been established as holder of the receiving warehouse EWR by the Provider.
7. Notify CCC by submitting a request for transfer termination for bales for which the original EWR has been cancelled by the shipping warehouse and that are not, or will not be, receipted by a CCC-approved cotton storage warehouse by the loan maturity date of the bales. For such bales, the requestor shall repay the CCC loan obligation within 7 calendar days from the date CCC notifies the requestor of approval of the transfer termination. The redemption rate shall be the normal marketing assistance loan redemption rate effective on the date of repayment. CCC may elect to establish the redemption rate for transfer-terminated bales based on the redemption rate effective on the shipping order date if a transfer termination is not requested in a timely fashion as determined by CCC. If the loan is not repaid by the maturity date, the requestor shall purchase such cotton from CCC.
8. For transferred bales pledged as collateral for a marketing assistance loan at one or more FSA County Offices, submit requests to redeem such loans only through the Centralized Cotton Redemption Process (CCR) and not by submission of a redemption request at the FSA County Office.
9. Notify CCC of transfer requests that need to be cancelled by the requestor.

D. SIGNATURES

1A. Name of Requestor		1B. Address (Including, City, State, and ZIP Code)	
1C. Printed Name of Requesting Official	1D. Signature of Requesting Official	1E. Date (MM-DD-YYYY)	
2A. Signature of CCC Representative		2B. Date Signed (MM-DD-YYYY)	

NOTE: The authority for collecting the following information is Pub. L. 110-246. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a). The authority for requesting the following information is 15 U.S.C. 714 and regulations promulgated thereunder (7 CFR Parts 1427 and 1403) Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to complete the terms of an agreement between the warehouse operator and CCC. Furnishing the requested information is voluntary, however, without it, eligibility to enter into an agreement with CCC cannot be determined. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 371, 641, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided. **RETURN THIS COMPLETED FORM TO LOCATION REFERENCED IN THE "NOTE" ON PAGE 1.**

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Attachment to CCC-699C, Cotton Transfer Agreement

699C Attachment Control Number M000001-1	Requestor ID M000001	Shipping Warehouse Code 999999	Shipping Order Number 99991	Mark WWW1	EWR Provider EWR	Date SO Sent To Provider 01/18/2007	Number of Bales 85	Hash Total 57857568	Receiving Warehouse Code 999999	Common Ownership N	75 Day Limit To Apply (For CCC use only)	Name of Individual Submitting Request
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NOTE: The 699C Control Number is the requestor's holder ID and the consecutive number assigned by requestor to the submitted 699C attachment. (Show the Transfer Request Number as 4 fields - Holder ID, Shipping Warehouse Code, Shipping Order Number, and Mark.)